

Message Text

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ACTION EUR-12

INFO OCT-01 AF-04 ARA-06 IO-04 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-04 FRB-01 H-01 INR-05

INT-05 L-01 LAB-01 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 SWF-01 /093 W
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R 252010Z OCT 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7698

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY PORT AU PRINCE

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 8393

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: EC/ACP NEGOTIATIONS

REF: A) EC BRUSSELS 8136 (NOTAL)

B) EC BRUSSELS 7977

C) STATE 223672

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1. SUMMARY: NEGOTIATIONS BETWEEN THE EC AND THE 44

ACP COUNTRIES CONTINUE AT A BRISK PACE BUT MAJOR UNRESOLVED ISSUES MAY CAUSE PROBLEMS AND DELAY SIGNATURE OF THE NEW ASSOCIATION AGREEMENT REPLACING THE OLD YAOUNDE CONVENTION WHICH EXPIRES ON JANUARY 31. THE COMMUNITY, ESPECIALLY FRANCE WHICH GIVES UP THE EC PRESIDENCY AT YEAR'S END, WANTS TO FINISH SOON AND AVOID THE PROSPECT OF A TIME GAP REQUIRING INTERIM ARRANGEMENTS. END SUMMARY.

2. SENIOR ACP AMBASSADORS (NIGERIA, JAMAICA, MALAWI AND CAMEROONS) PARTICIPATING IN THE EC/ACP NEGOTIATIONS ATTENDED A WORKING LUNCHEON GIVEN BY AMBASSADOR GREENWALD ON OCTOBER 24. THE CURRENT STATUS OF THE NEGOTIATIONS WAS REVIEWED AND THE FOLLOWING POINTS EMERGED:

3. NON-RECIPROCITY: AMBASSADOR GREENWALD NOTED USG SATISFACTION WITH THE KINGSTON SOLUTION ON RECIPROCITY (REVERSE PREFERENCES). HE ADDED THAT WE HAVE CONSULTED WITH THE COMMUNITY WITH A VIEW TO EXPEDITIOUS GATT HANDLING ON A PRAGMATIC BASIS SETTING ASIDE THE LEGAL ISSUE. THE COMMENTS OF AMBASSADOR SANU (NIGERIA), WHO IS THE ACP'S CHIEF NEGOTIATOR IN BRUSSELS, REFLECTED A VERY HARD LINE. HE ASSERTED THAT A CLEAR STATEMENT OF NON-RECIPROCITY IS CENTRAL TO THE TRADE REGIME UNDER THE ASSOCIATION. HIS COLLEAGUES AGREED IN GENERAL BUT NOTED THAT SOME ACPs, IN PARTICULAR SENEGAL, DO NOT SHARE HIS ENTHUSIASM FOR SUCH A TIGHT PROHIBITION. THEY WANT NO OBLIGATION TO RECIPROCATATE, BUT DESIRE TO KEEP THE DOOR OPEN SHOULD SENEGAL, FOR EXAMPLE, WANT TO CONTINUE TO GRANT RECIPROCITY. SANU OPPOSED THIS APPROACH ON THE GROUND THAT BY GRANTING TRADE RECIPROCITY, SENEGAL MIGHT GET BETTER TREATMENT ON AID. ON THE GATT QUESTION, SANU WELCOMED THE NON-LEGALISTIC APPROACH AND URGED THAT WE CONTINUE TO MAKE OUR POSITION CLEAR TO THE COMMUNITY BECAUSE SOME PEOPLE ARE STILL RAISING DOUBTS ABOUT THE GATT ABILITY OF THE AGREEMENT.

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4. OTHER OUTSTANDING ISSUES: THE FOUR ACP AMBASSADORS CHARACTERIZED THE DEADLINE SET BY THE COUNCIL FOR SIGNATURE OF AN ASSOCIATION AGREEMENT IN DECEMBER AS OVERLY AMBITIOUS. MUCH REMAINS TO BE SETTLED IN THE VARIOUS SUBCOMMITTEES DESPITE AN INTENSIVE SCHEDULE OF MEETINGS WHICH HAVE BEEN IN PROGRESS SINCE SEPTEMBER. SEVERAL IMPORT-

ANT ELEMENTS OF THE EXPORT EARNINGS STABILIZATION SCHEME ARE STILL WIDE OPEN (REPAYMENT OBLIGATION, AUTOMATICITY OF THE FINANCIAL TRANSFER FROM THE EC TO AN ACP, EXPANSION OF THE ELIGIBLE PRODUCT LIST). THE QUESTION OF THE ASSOCIATION INSTITUTIONAL ARRANGEMENTS (E.G. IN ADDITION TO A MANAGERIAL BODY WILL THERE BE A PARLIAMENTARY ORGANIZATION?) STILL HAVE TO BE WORKED OUT. AGREEMENT IS LACKING ON THE RULES OF ORIGIN ELEMENT OF THE TRADE REGIME. THE AGRICULTURAL PRODUCTS SUBCOMMITTEE WILL NOT BEGIN ITS MEETINGS UNTIL NEXT WEEK AND THE RECENT DECISION TO REVIEW THE COMMON AGRICULTURAL POLICY (CAP) MAY AFFECT PROGRESS IN THIS AREA. AND LAST BUT NOT LEAST, THE COMMISSION STILL AWAITS FULL AUTHORITY TO NEGOTIATE ON THE ACP SUGAR QUESTION.

5. IN VIEW OF THE WORK THAT REMAINS, THE ACP RELUCTANCE TO BE PRESSURED INTO SIGNING AN AGREEMENT WHICH DOES NOT SATISFACTORILY MEET THEIR DEMANDS, THE AMBASSADORS CONSIDER THAT THE NEW AGREEMENT MAY NOT BE SIGNED IN DECEMBER AND PERHAPS NOT UNTIL AFTER THE OLD YAOUNDE ASSOCIATION EXPIRES ON JANUARY 31, 1975. THEY SEE NO PROBLEM WITH THIS SCENARIO AND NOTE THAT AN AD HOC INTERIM ARRANGEMENT COULD BE WORKED OUT, AS IS CURRENTLY THE CASE WITH THE OVERDUE MEDITERRANEAN NEGOTIATIONS.

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TO SECSTATE WASHDC 7699
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6. NIGERIAN POSITION: IN AN INTERESTING ASIDE, AMBASSADOR SANU (NIGERIA) INDICATED THAT HIS COUNTRY, WHILE COMMITTED TO SEEING THE NEGOTIATIONS THROUGH ON GROUNDS OF AFRICAN SOLIDARITY VIS-A-VIS THE COMMUNITY, NEVERTHELESS INTENDS TO REVIEW THE FINAL PACKAGE AS IT EMERGES IN THIS LAST ROUND AND THEN MAKE UP ITS MIND ON WHETHER TO SIGN OR NOT. HE NOTED THAT A STRONG CURRENT LIMITED OFFICIAL USE

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OF OPINION IN LAGOS SEES LITTLE NET ECONOMIC ADVANTAGE FOR NIGERIA AND HAS BEEN PRIMARILY CONCERNED TO PARTICIPATE "TO HELP THE OTHER AFRICAN STATES NEGOTIATE THE BEST POSSIBLE DEAL."

7. HAITI: AMBASSADOR SANU REPORTED HE HAD RECEIVED A LETTER FROM HAITI ASKING SUPPORT FOR THEIR PARTICIPATION IN THE NEGOTIATIONS. THE AMBASSADORS WERE UNANIMOUS IN THE VIEW THAT THIS REQUEST WAS BADLY TIMED. SANU'S TENTATIVE REACTION WAS TO DUCK THE ISSUE BY REPLYING THAT HAITI JOINING THE NEGOTIATIONS WAS UP TO THE EC IN THE FIRST INSTANCE. HE EXPECTED THE COMMUNITY WILL FIND A DIPLOMATIC WAY OF TURNING OFF THE HAITIAN REQUEST. WE OUTLINED THE US POSITION AGAINST FURTHER GEOGRAPHICAL EXTENSION OF THE ACP NEGOTIATIONS (REF C). THE AMBASSADORS FELT THAT THE HAITIANS WOULD HAVE BEEN WISER TO WAIT WITH THEIR APPLICATION UNTIL THEY HAD JOINED CARICOM. AT THAT POINT THEIR CASE WOULD BE MUCH

STRONGER, NOT BECAUSE OF TECHNICAL ORIGIN PROBLEMS INVOLVED IN JAMAICA BEING IN THE ACP AGREEMENT AND HAITI OUTSIDE, BUT BECAUSE ONE OF THE MAIN THRUSTS OF THE NEW ACP AGREEMENT IS TO FURTHER REGIONAL COOPERATION AMONG THE DEVELOPING COUNTRIES THROUGH REGIONAL TRADE GROUPINGS, JOINT AID PROJECTS, ETC. GREENWALD

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